# Schedule "A"

## THE CORPORATION OF THE

## CITY OF PENTICTON

## 2005

## FINANCIAL STATEMENTS

2008-05855/

# THE CORPORATION OF THE CITY OF PENTICTON

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**THE CORPORATION OF THE CITY OF PENTICTON**
**FROM INCORPORATION**

## ***REEVES***

| | |
|---|---|
| 1909 | Alfred H. Wade |
| 1910 – 1911 | E. Foley-Bennett |
| 1912 | Capt. I.M. Stevens |
| 1913 | E. Foley-Bennett |
| 1914 – 1916 | Robert Scott Conklin |
| 1917 | William Alexander McKenzie |
| 1918 – 1919 | Frederick Maurice Smith |
| 1920 – 1923 | Edward John Chambers |
| 1924 – 1925 | James Kirkpatrick |
| 1926 – 1927 | Geo. A.M. Macdonald |
| 1928 | James Kirkpatrick |
| 1929 – 1931 | Geo. A.B. Macdonald |
| 1931 – 1935 | Charles E. Oliver |
| 1936 | H.B. Morley |
| 1937 – 1940 | W. Gordon Wilkins |
| 1941 – 1942 | R.J. McDougall |
| 1943 – 1944 | Robert Lyon |
| 1945 | R.J. McDougall |
| 1946 – 1947 | Robert Lyon |

## ***MAYORS***

| | |
|---|---|
| 1948 – 1949 | Robert Lyon |
| 1950 – 1953 | William A. Rathbun |
| 1954 – 1957 | C. Oscar Matson |
| 1957 – 1961 | Charles E. Oliver |
| 1962 – 1967 | Maurice P. Finnerty |
| 1968 – 1971 | F.D. Stuart |
| 1972 – 1975 | F.W. Laird |
| 1976 – 1979 | K.A. Kenyon |
| 1979 – 1980 | J.J. Winkelaar |
| 1980 – 1986 | I.C. Messmer |
| 1986 – 1990 | Dorothy Whittaker |
| 1990 – 1996 | G.J. Kimberley |
| 1996 – 1999 | Beth Campbell |
| 1999 – 2002 | M.L. (Mike) Pearce |
| 2002 – 2005 | C. David Perry |
| 2005 - | G.J. Kimberley |

# DIRECTORY OF COUNCIL AND CITY OFFICIALS
# 2005

## *COUNCIL*

| | | |
|---|---|---|
| **MAYOR** | G.J. Kimberley | |
| **COUNCILLORS** | Dan Ashton | Randy Manuel |
| | Joanne Grimaldi | Rory McIvor |
| | Garry Litke | John Vassilaki |

## *CITY OFFICIALS*

| | |
|---|---|
| Administrator/Clerk | L. den Boer |
| Director of Corporate Services/Treasurer | J.A. Kler |
| Collector | M.L. Raymond |
| Director of Development Services | M. Moroziuk |
| Director of Parks, Recreation and Culture | B. Reid |
| Human Resources Manager | G.P.A. Sobool |
| Fire Chief | W. Williams |
| R.C.M.P. Inspector | D. Fudge |

| | |
|---|---|
| CITY AUDITORS | BDO Dunwoody |
| CITY SOLICITORS | Davie & Associates |
| BANKERS | HSBC Bank Canada |

# TREASURER'S REPORT

May 2006

Mayor and Council
The Corporation of the City of Penticton

Your Worship and Members of Council:

In accordance with Section 167(1) of the Community Charter, I am pleased to submit the 2005 Annual Financial Report of the City of Penticton for the fiscal year ended December 31, 2005. The report includes the Auditors' Report, the 2005 audited financial statements, and supplementary information for the City of Penticton.

The financial statements were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These statements were audited by BDO Dunwoody and their responsibility was to express an opinion based on the results of their audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement.

The operations of the City of Penticton are segregated into various funds for accounting and financial reporting purposes. The funds are as follows:

*General Fund*
*Water Utility Fund*
*Reserve Funds*
*Sanitary Sewer Utility Fund*
*Electric Utility Fund*

The Annual Report includes the financial statements for each entity as well as consolidation statements for all entities. The highlights from these reports are summarized below:

## CAPITAL EXPENDITURES

| | 2005 | 2004 |
|---|---|---|
| *General Fund* | $7,876,448 | $10,271,748 |
| *Sewer Fund* | 1,012,145 | 948,644 |
| *Water Fund* | 1,101,163 | 1,301,647 |
| *Electric Fund* | 1,151,077 | 1,208,227 |
| **Total Capital Expenditures** | **$11,140,833** | **$13,730,266** |

Major capital projects included in the above summary are:

***General Capital***

| | |
|---|---|
| *City-wide Transportation Works* | $2,187,098 |
| *Parks - Landscape and Development* | 1,967,178 |
| *Wine Information Centre* | 1,361,697 |
| *Information and Technology Works* | 308,070 |
| *City Fleet Equipment* | 420,850 |
| *City Hall Renovations* | 256,915 |

***Utilities***

| | |
|---|---|
| *Sewer Mains* | $770,314 |
| *Sewer Treatment Plant Works* | 168,388 |
| *Water Mains* | 374,646 |
| *Water Metering Services* | 218,854 |
| *Water Irrigation Line* | 207,197 |
| *Electric Utility Services* | 472,300 |
| *Electric Utility Line Reconstruction* | 369,514 |
| *Electric Utility Voltage Conversion Program* | 247,717 |

***Operating Expenditures and Debt Charges*** *(excludes transfers to other funds and reserves)*

| | | 2005 | 2004 |
|---|---|---|---|
| *General Fund* | Operating | $29,796,683 | $27,060,356 |
| | Debt | 1,351,180 | 1,079,364 |
| | | **$31,147,863** | **$28,139,720** |
| *Sewer Fund* | Operating | $1,835,119 | $1,798,527 |
| | Debt | 347,898 | 346,544 |
| | | **$2,183,017** | **$2,145,071** |
| *Water Fund* | Operating | $2,202,656 | $2,068,391 |
| | Debt | 572,132 | 611,295 |
| | | **$2,774,788** | **$2,679,686** |
| *Electric Fund* | Operating | **$17,498,509** | **$16,758,780** |
| ***TOTAL NET OPERATING EXPENDITURES*** | | **$53,521,589** | **$49,723,257** |

***Financial Statistics***

| | 2005 | 2004 |
|---|---|---|
| *Real Property Taxes* | $18,540,024 | $17,456,069 |
| *Collection of taxes for other Governments* | 16,919,158 | 16,144,416 |
| *Long-Term Debt Outstanding* | 13,185,569 | 12,176,428 |
| *Per Capita Debt – General Purposes* | 280 | 232 |
| *Per Capita Debt – Utilities* | 146 | 161 |

***Investment Earnings***
Investment of all excess Revenue and Reserve Funds generated $1,182,601 in 2005 compared to $1,174,112 in 2004. Our portfolio is comprised equally of money market and term deposits maturing within a year and long-term bonds.

***Surplus***
The general revenue fund generated a surplus of $576,365. The surplus can be attributed to various departments operating under their budget provisions, increased revenue from Building Permits, M.F.A. Debt Reserve Surplus and a full year impact in regards to the eligible percentage for the G.S.T. rebate.

***Utilities***
All utilities ended the year in a surplus position. This was due to a combination of factors such as reduced operating expenses, additional revenue and reduction in scope of some capital projects.

The Sewer Utility surplus was $800,290 of which $410,030 was due to a one-time allocation of Development Cost Charges from the prior year.

The Water Utility surplus was $87,436 and the Electric Utility surplus was $501,678.

***Library***
The Statement of Revenue and Expenditure for the Penticton Public Library is presented in this report. Library revenue reflects a City grant of $850,098 which includes an allowance of $163,217 for building and administration costs, and $20,222 for equipment depreciation.

Respectfully submitted,

Jack Kler
Director Corporate Services/Treasurer

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Financial Position

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash | $ 2,640,961 | $ 1,729,483 |
| Term Deposits | 38,512,143 | 34,284,415 |
| Receivables | | |
| Property Taxes | 732,491 | 523,960 |
| Federal Government | 346,085 | 891,604 |
| Province of B.C. | 281,072 | 1,181,984 |
| Other Government Agencies | 47,839 | 5,888 |
| Utility Accounts | 1,719,603 | 1,307,762 |
| Accrued Interest | 279,975 | 275,808 |
| Other | 2,328,341 | 1,723,761 |
| Deposit - Municipal Finance Authority | 1,168,540 | 1,425,024 |
| Pre Paid Expenses | 107,847 | 426,447 |
| | 48,164,897 | 43,776,136 |
| **LIABILITIES** | | |
| Payables | | |
| Provincial Government | 51,968 | - |
| Federal Government | 1,438,152 | - |
| Trade Accounts and Accrued Liabilities | 7,056,039 | 8,675,266 |
| Development Cost Charges | 1,738,844 | 1,466,518 |
| Deferred Revenue | 2,653,525 | 2,373,981 |
| Sundry Deposits | 1,817,350 | 2,056,200 |
| Penticton Public Library | 110,970 | 75,199 |
| Reserve - Municipal Finance Authority | 1,168,540 | 1,425,024 |
| Long-term Debt | 13,184,871 | 12,176,427 |
| | 29,220,259 | 28,248,615 |
| **Net Financial Assets (Liabilities)** | 18,944,638 | 15,527,521 |
| **Physical Assets** | | |
| Capital Assets | 240,903,262 | 229,999,327 |
| **Net Position** | $ 259,847,900 | $ 245,526,848 |
| **Municipal Position** | | |
| Equity in Physical Assets | 227,718,391 | 217,822,900 |
| Capital and Operating Fund | 21,308,877 | 18,285,903 |
| Statutory Reserve Funds | 10,820,632 | 9,418,045 |
| | $ 259,847,900 | $ 245,526,848 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Financial Activities

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **REVENUE** | | | |
| Taxation - net | $ 18,895,912 | $ 18,548,531 | $ 17,826,516 |
| Grants in Lieu of Taxes | 185,363 | 171,935 | 171,529 |
| Sales of Services | 38,135,699 | 38,757,605 | 34,979,595 |
| Other Revenue from Own Sources | 4,974,240 | 4,805,602 | 6,026,203 |
| Interest Revenue from Reserves | 252,971 | - | 232,489 |
| Actuarial Adjustments | 238,649 | - | 208,203 |
| Contributions from Developers and Others | 1,107,879 | 474,132 | 976,033 |
| Unconditional Transfers - Provincial Government | 390,272 | 390,272 | 341,636 |
| Conditional Transfers - Federal Government | 567,382 | 588,550 | 880,926 |
| Conditional Transfers - Provincial Government | 780,152 | 840,150 | 630,493 |
| Conditional Transfers - Regional and Local Governments | 234,024 | 38,476 | 231,110 |
| Debt Finance | 289,456 | - | 337,500 |
| | 66,051,999 | 64,615,253 | 62,842,233 |
| **EXPENDITURE** | | | |
| General Government Services | 5,325,910 | 7,566,755 | 6,059,726 |
| Protective Services | 9,456,156 | 9,849,019 | 9,145,937 |
| Transportation Services | 3,977,875 | 4,314,587 | 2,789,095 |
| Environmental Health Services | 5,686,029 | 6,108,606 | 5,560,074 |
| Public Health Services | 123,416 | 118,594 | 118,495 |
| Environmental Development Services | 2,205,061 | 2,369,222 | 1,990,463 |
| Recreation and Cultural Services | 6,985,114 | 6,677,879 | 6,349,094 |
| Electric Supply | 17,498,509 | 17,994,398 | 16,758,780 |
| Bank Charges and Interest | 56,526 | 44,100 | 32,033 |
| Temporary Borrowings | - | - | 14,242 |
| Inventory | 179,453 | - | 74,856 |
| Capital Expenditures | 11,140,833 | 17,875,166 | 13,730,266 |
| | 62,634,882 | 72,918,326 | 62,623,061 |
| **Net Revenue/(Expenditure)** | 3,417,117 | (8,303,073) | 219,172 |
| Proceeds from Long Term Debt | 2,295,000 | - | 2,962,501 |
| Debt Principal Repayments | (1,047,907) | 1,047,209 | (926,423) |
| Sinking Fund Actuarial Amount | (238,649) | - | (208,204) |
| **Increase/(Decrease) in Fund Balances** | $ 4,425,561 | $ (7,255,864) | $ 2,047,046 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Changes in Financial Position

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **Cash flows from (to)** | | |
| **Operations** | | |
| Net increase(decrease) in financial equity | $ 4,870,546 | $ 956,624 |
| Net increase in equity in capital assets | 9,757,288 | 10,383,435 |
| Decrease(increase) in accounts receivable | 864,057 | (1,494,743) |
| Decrease(increase) in taxes and utilities receivable | (620,372) | 295,991 |
| Decrease(increase) in prepaid expenses | 318,600 | (250,130) |
| Decrease(increase) in investments | (4,325) | (37,723) |
| Increase(decrease) in accounts payable | (79,586) | 1,787,525 |
| Increase(decrease) in refundable deposits | (359,649) | 541,945 |
| Increase(decrease) in deferred revenue | 322,439 | 375,035 |
| Net cash from operations | 15,068,998 | 12,557,959 |
| **Financing** | | |
| Increase in long term debt | 2,295,000 | 2,962,500 |
| Principal repayments on long-term debt | (1,285,858) | (1,134,626) |
| Decrease in deposits - MFA | (256,484) | 83,381 |
| Decrease in MFA cash and demand notes payable | 256,484 | (83,381) |
| | 1,009,142 | 1,827,874 |
| **Investments** | | |
| Expenditures on capital assets | (11,140,833) | (11,737,351) |
| Cost of assets disposed and write-down | 236,899 | 65,400 |
| | (10,903,934) | (11,671,951) |
| Change in cash and short-term investments | 5,174,206 | 2,713,882 |
| Cash and short-term investments, beginning of year | 36,603,898 | 33,890,016 |
| Cash and short-term investments, end of year | $ 41,778,104 | $ 36,603,898 |
| **Consisting of:** | | |
| **Restricted cash** | | |
| Statutory reserves and deferred revenue | 14,602,393 | 12,779,277 |
| Utilities | 8,746,653 | 8,706,432 |
| | 23,349,046 | 21,485,709 |
| **Current funds** | 18,429,058 | 15,118,189 |
| | $ 41,778,104 | $ 36,603,898 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Statutory Reserve Fund Operations

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 10,884,563 | $ 11,742,945 |
| ADD | | |
| Transfers from | | |
| Revenue Funds | 3,204,449 | 2,031,991 |
| Interest Earned | 293,987 | 278,488 |
| | 14,382,999 | 14,053,424 |
| DEDUCT | | |
| Transfers to | | |
| Revenue Funds | 902,149 | 130,761 |
| Capital Funds | 921,376 | 3,038,100 |
| | $ 12,559,474 | $ 10,884,563 |

Summary of Statutory Reserve Fund Balances

| | | | |
|---|---|---|---|
| Equipment Replacement | | $ 3,299,480 | $ 3,021,748 |
| Tax Sale Lands | | 5,862 | 5,709 |
| Development Cost Charges | - Roads | 309,747 | 198,019 |
| | - Public Open Space | 665,662 | 327,485 |
| | - Water Mains/Filtration Plant | 384,895 | 252,485 |
| | - Sanitary Sewer | 87,777 | 484,947 |
| | - Storm Sewer | 290,763 | 203,582 |
| Capital | | 1,941,409 | 988,240 |
| Local Improvement | | 1,093,390 | 1,038,901 |
| Sewer System Capital | | 1,342,182 | 1,307,150 |
| Water System Capital | | 2,290,462 | 2,230,680 |
| Electric Capital | | 787,110 | 766,566 |
| Off-Site Parking | | 60,735 | 59,051 |
| | | $ 12,559,474 | $ 10,884,563 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Equity in Capital Assets

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 217,549,322 | $ 205,404,559 |
| ADD | | |
| Assets Acquired by Transfer | | |
| Federal Government | 556,938 | 870,318 |
| Provincial Government | 576,380 | 541,369 |
| Development Cost Charges Reserve Fund | 171,748 | 1,364,981 |
| Capital Reserve Fund | 24,980 | 293,277 |
| Equipment Replacement Reserve Fund | 716,142 | 1,042,199 |
| Revenue Funds | 5,660,925 | 6,290,812 |
| Interest Earned | 2,539 | 3,911 |
| Other Contributions | 1,107,878 | 976,033 |
| Repayment to General Revenue Fund | - | 124,078 |
| Retirement of Long-term Debt | 1,047,210 | 926,423 |
| Actuarial Sinking Fund Requirement | 238,649 | 208,204 |
| Repayment of Loan from Local Improvement Reserve Fund | 180,254 | 137,645 |
| | 10,283,643 | 12,779,250 |
| DEDUCT | | |
| Assets Written Off | 236,899 | 634,487 |
| BALANCE, END OF YEAR | $ 227,596,066 | $ 217,549,322 |

*See accompanying notes to the financial statements*

TREASURER

The notes to the Consolidated Financial Statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the Consolidated Financial Statements.

## 1. ACCOUNTING POLICIES

(a) The municipality reports its activities on the fund accounting basis as followed by British Columbia municipalities;
(b) In accordance with accounting and reporting requirements of the Ministry of Municipal Affairs, depreciation is no longer recorded;
(c) The Consolidated Statements include all General, capital and Utility Funds of the Municipality, including the Cemetery Perpetual Trust Care Fund;
(d) All fund bank accounts are consolidated in the General Revenue Fund;
(e) Capital assets are recorded at cost;
(f) Certain 2004 figures have been reclassified in order to be consistent with the presentation of 2005.

**Municipal Finance Authority**
Cash Deposits and Demand Notes
The Municipality issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

**Debenture Debt**
Principal payments due for the next five years (in thousand of dollars) are forecasted as follows:

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| General Fund | $475 | $800 | $1,219 | $1,552 | $1,835 |
| Sewer Fund | 112 | 210 | 291 | 352 | 429 |
| Water Fund | 168 | 306 | 309 | 332 | 367 |
| | $755 | $1,316 | $1,819 | $2,236 | $2,631 |

**Reserves for Future Expenditure**
Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

**Interfund Balances and Transactions**
All material interfund transactions and balances have been eliminated within the consolidated financial statements.

**Statutory Reserve Funds**
The use of these funds is restricted by the Local Government Act and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

**Financial Instruments**
The City's financial instruments consists of cash and temporary investments, accounts receivable, accrued interest, long term investments, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the city is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

**Budget Figures**
The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year. Subsequent amendments have been made by the Council to reflect changes in the budget as required by law.

**Use of Estimates**
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Object Reporting**
The total funds expended by the City (in thousands of dollars):

| | 2005 | 2004 |
|---|---|---|
| Payroll | $16,755 | $15,329 |
| Supplies and Services | 45,880 | 47,294 |

## 2. FINANCIAL ASSETS AND LIABILITIES

Temporary investments (in thousands of dollars) recorded at cost and are as follows:

| Type of Investments | 2005 | 2004 |
|---|---|---|
| Cash | $2,641 | $1,729 |
| Municipal Finance Authority Bond Fund | 7,571 | 7,434 |
| Government and Bank Issued Accrual Notes and Debenture | 10,385 | 9,850 |
| Guarantee Investments Certificates and Deposit Notes | 20,556 | 17,596 |
| Total Cash and Temporary investments | $41,153 | $36,609 |

Accounts Receivables (in thousands of dollars) recorded net of allowance:

| Type of Receivable | 2005 | 2004 |
|---|---|---|
| Property tax | $732 | $524 |
| Accounts Receivable | 2,328 | 1,723 |
| Federal Government | 346 | 892 |
| Provincial Government | 297 | 1,182 |
| Other Government | 32 | 6 |
| Utilities | 1,719 | 1,308 |
| Total Accounts Receivable | $5,454 | $5,635 |

Capital Assets by type (in thousands of dollars)

| | 2005 | 2004 |
|---|---|---|
| Engineering Structures | $154,887 | $147,384 |
| Buildings | 47,354 | 44,925 |
| Machinery and Equipment | 23,746 | 22,774 |
| Land | 14,916 | 14,916 |
| | $240,903 | $229,999 |

### Development Cost Charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue. Because these funds are restricted in nature, they are shown as a liability.

| DCC by type | 2005 | 2004 |
|---|---|---|
| Roads | $310 | $198 |
| Parks | 665 | 328 |
| Drainage | 291 | 204 |
| Wasterwater | 88 | 485 |
| Water | 385 | 252 |
| TOTAL | $1,739 | $1,467 |
| **DCC Activity** | | |
| Balance, beginning of year | $1,467 | $2,184 |
| Return on investments | 41 | 46 |
| DCCs levied in the year | 1,133 | 932 |
| Transfers to General Capital | (95) | (1,295) |
| Transfers to General Operating | (266) | (200) |
| Transfers to Wastewater Capital | (441) | (69) |
| Transfers to Water Capital | - | - |
| Transfer to Water Operating | (100) | (131) |
| Balance, end of year | $1,739 | $1,467 |

## 3. CONTINGENT LIABILITIES

### Regional District of Okanagan Similkameen

Under Section 836 of the *Local Government Act,* all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2005, the long-term debt of the Regional District aggregated $37,157,279 (2004 - $27,550,071).

### Legal Actions

As at December 31, 2005, certain other legal actions are pending against the Municipality, the outcome of which cannot be determined at this time. As it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in the accounts.

### Pension Liability

The municipality and its employees contribute to the Municipal Pension Plan (the plan) a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 48,000 retired members. Active members include approximately 30,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2004 indicated an unfunded liability of $789 million for basic pension benefits. The next valuation will be as at December 31, 2007 with results available in 2008. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Penticton paid $1,029,332 for employer contributions to the plan in fiscal 2005.

## 3. LETTERS OF CREDIT

In addition to the performance deposits reflected in the Statement of Financial Position, the City if holding irrevocable Letters of Credit in the amount of $3,345,309 which were received from depositors to ensure their performance of works to be undertaken within the city. These amounts are not reflected in the financial statements but are available to satisfy liabilities arising from non-performance by the depositors.

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## GENERAL REVENUE FUND

### Statement of Financial Position

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| CASH | $ 2,640,961 | $ 1,729,483 |
| TERM DEPOSITS | 38,512,143 | 34,284,415 |
| RECEIVABLES | | |
| Property Taxes | 732,491 | 523,960 |
| Federal Government | 346,085 | 891,604 |
| Provincial Government | 281,072 | 1,181,984 |
| Regional District Okanagan Similkameen | 16,243 | 1,569 |
| Other Government Agencies | 31,596 | 4,319 |
| General Capital Fund | 289,456 | 250,511 |
| Water Capital Fund | 550,883 | 550,883 |
| Other | 2,102,009 | 1,275,899 |
| | 4,349,835 | 4,680,729 |
| MATERIALS AND SUPPLIES | 392,524 | 335,213 |
| OTHER ASSETS | | |
| Trusts and Other Deposits Municipal Finance Authority | 448,972 | 715,649 |
| Accrued Interest Receivable | 279,975 | 275,808 |
| Prepaid Expenses | 107,847 | 426,447 |
| | 836,794 | 1,417,904 |
| | $ 46,732,257 | $ 42,447,744 |

*See accompanying notes to the financial statements*

TREASURER

| | 2005 | 2004 |
|---|---|---|
| **LIABILITIES AND SURPLUS** | | |
| PAYABLES | | |
| Other Funds | | |
| Equipment Replacement Reserve Fund | $ 3,299,480 | $ 3,021,748 |
| Tax Sale Lands Reserve Fund | 5,862 | 5,709 |
| Development Cost Charges Reserve Fund | 1,738,844 | 1,466,549 |
| Capital Reserve Fund | 1,941,409 | 988,240 |
| Local Improvement Reserve Fund | 469,835 | 555,389 |
| Water Capital Reserve Fund | 2,290,462 | 2,230,680 |
| Sewer Capital Reserve Fund | 1,342,182 | 1,307,150 |
| Electric Capital Reserve | 787,110 | 766,566 |
| Off-Site Parking Reserve Fund | 60,735 | 59,051 |
| Cemetery Perpetual Care Fund | 12,949 | 4,214 |
| | 11,948,868 | 10,405,296 |
| Sewer Utility | 2,753,804 | 2,357,525 |
| Water Utility | 1,617,615 | 2,034,889 |
| Electric Utility | 3,659,923 | 3,640,191 |
| General Capital Fund | 715,311 | 673,827 |
| Federal Government | 1,438,152 | - |
| Provincial Government | 51,968 | - |
| Trade Accounts and Accrued Liabilities | 7,056,039 | 8,675,266 |
| Deferred Revenues | 2,653,525 | 2,373,981 |
| Sundry Deposits | 1,240,582 | 1,164,061 |
| Penticton Public Library | 110,970 | 75,199 |
| Municipal Finance Authority Debt Reserve Fund | | |
| Cash Requirement | 107,678 | 314,303 |
| Demand Note Requirement | 341,294 | 401,346 |
| | 448,972 | 715,649 |
| RESERVES FOR FUTURE EXPENDITURES | | |
| Capital Expenditures | 2,019,958 | 1,653,285 |
| Operating Expenditures | 239,795 | 290,846 |
| | 2,259,753 | 1,944,131 |
| ASSET VALUATION ALLOWANCES | | |
| Allowance for Doubtful Accounts | 59,206 | 52,206 |
| OTHER RESERVES | | |
| Own Reserves | 6,646,380 | 4,840,699 |
| SURPLUS | 4,071,189 | 3,494,824 |
| | $ 46,732,257 | $ 42,447,744 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## GENERAL REVENUE FUND

### Statement of Revenues and Expenditures

December 31, 2005
(With comparative figures for 2004)

| | 2005 Actual | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **REVENUE** | | | |
| Taxation | | | |
| Real Property | $ 18,340,233 | $ 18,341,467 | $ 17,260,289 |
| Special Assessments | 199,791 | 207,064 | 195,780 |
| | 18,540,024 | 18,548,531 | 17,456,069 |
| Grants in Lieu of Taxes | | | |
| Federal Government | 71,852 | 65,000 | 65,038 |
| Provincial Government | 113,511 | 106,935 | 106,491 |
| | 185,363 | 171,935 | 171,529 |
| Sales of Services | 9,999,807 | 8,770,246 | 8,410,698 |
| Other Revenue from Own Sources | 6,847,224 | 5,357,975 | 5,661,234 |
| Municipal Finance Authority Debt Reserve Fund | 337,784 | - | - |
| Municipal Finance Authority Debt Proceeds | 289,456 | 3,072,618 | 213,451 |
| Unconditional Transfers - Provincial Government | 390,272 | 390,272 | 341,636 |
| Conditional Transfers - Federal Government | 10,444 | 588,550 | 10,608 |
| Conditional Transfers - Provincial Government | 125,123 | 765,699 | 84,573 |
| Conditional Transfers - Regional and Local Governments | 32,807 | 36,476 | 32,959 |
| Transfer from Own Reserves | 2,469,500 | 2,773,949 | 3,195,598 |
| Transfer from Other Funds | | | |
| Development Cost Charges Reserve Fund | 265,551 | 492,831 | 200,000 |
| Electric Utility Revenue Fund | 3,340,000 | 3,340,000 | 945,293 |
| | 24,107,968 | 25,588,616 | 19,096,050 |
| Collections for Other Governments | 16,919,158 | 16,920,681 | 16,144,416 |
| | $ 59,752,513 | $ 61,229,763 | $ 52,868,064 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## GENERAL REVENUE FUND

### Statement of Revenues and Expenditures

December 31, 2005
(With comparative figures for 2004)

| | 2005 Actual | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **EXPENDITURE** | | | |
| General Government Services | $ 6,567,583 | $ 5,665,321 | $ 6,052,863 |
| Protective Services | 9,199,506 | 9,838,193 | 8,889,287 |
| Transportation Services | 3,928,065 | 2,943,896 | 2,789,095 |
| Environmental Health Services | 1,007,968 | 1,452,032 | 1,002,396 |
| Public Health Services | 123,416 | 118,594 | 118,495 |
| Environmental Development Services | 2,205,061 | 2,211,132 | 1,990,463 |
| Recreation and Cultural Services | 6,708,558 | 6,459,844 | 6,185,724 |
| | 29,740,157 | 28,689,012 | 27,028,323 |
| Fiscal Services | | | |
| Bank Charges and Interest | 56,526 | 44,100 | 32,033 |
| Long-term Debt Charges - Interest | 583,016 | 618,748 | 432,685 |
| - Principal | 768,164 | 767,429 | 646,679 |
| | 1,407,706 | 1,430,277 | 1,111,397 |
| Transfer to Own Reserves | 4,678,997 | 8,645,825 | 3,966,828 |
| Transfer to Other Funds | | | |
| Development Cost Charges Reserve Fund | 872,837 | 1,264,088 | 698,806 |
| Equipment Replacement Reserve Fund | 910,290 | 910,290 | 783,541 |
| General Capital Fund | 3,469,210 | 2,644,729 | 1,885,545 |
| Local Improvement Reserve Fund | 221,187 | 94,079 | 178,579 |
| Capital Reserve | 939,411 | 610,782 | 137,763 |
| Cemetery Perpetual Care Trust Fund | 17,270 | 20,000 | 19,030 |
| | 6,430,205 | 5,543,968 | 3,703,264 |
| Transfer to Other Governments and Boards | 16,919,082 | 16,920,681 | 16,137,452 |
| Transfer to/(from) Surplus | 576,365 | - | 920,800 |
| | $ 59,752,513 | $ 61,229,763 | $ 52,868,064 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**GENERAL CAPITAL FUND**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| RECEIVABLES | | |
| Due from General Revenue | $ 715,311 | $ 673,827 |
| FIXED ASSETS | | |
| Engineering Structures | 61,323,474 | 56,957,280 |
| Buildings | 37,772,612 | 35,410,493 |
| Machinery and Equipment | 22,764,889 | 21,854,595 |
| Land | 14,379,434 | 14,378,492 |
| | $ 136,955,720 | $ 129,274,687 |
| **LIABILITIES AND EQUITY IN CAPITAL ASSETS** | | |
| PAYABLES | | |
| General Revenue Fund | $ 289,456 | $ 250,511 |
| Loan from Local Improvement Fund | 440,874 | 334,127 |
| LONG-TERM DEBT | | |
| Debentures Authorized and Issued | 8,679,469 | 7,178,004 |
| EQUITY IN CAPITAL ASSETS | 127,545,921 | 121,512,045 |
| | $ 136,955,720 | $ 129,274,687 |

*See accompanying notes to the financial statements*

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TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## GENERAL CAPITAL FUND

### Statement of Equity in Capital Assets

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 121,512,045 | $ 113,708,929 |
| ADD | | |
| Assets Acquired by Transfer | | |
| Federal Government | 556,938 | 870,318 |
| Provincial Government | 576,380 | 541,369 |
| Development Cost Charges Reserve Fund | 95,467 | 1,295,588 |
| Capital Reserve Fund | 24,980 | 293,277 |
| Equipment Replacement Reserve Fund | 716,142 | 1,042,199 |
| Electric Capital Reserve Fund | - | - |
| Electric Utility | - | 1,554,707 |
| General Revenue Fund | 3,469,211 | 1,885,545 |
| Interest Earned | 2,539 | 3,911 |
| Other Contributions | 240,601 | 409,838 |
| Repayment to General Revenue Fund | - | 124,078 |
| Repayment of Long-term Debt | 767,466 | 646,679 |
| Actuarial Sinking Fund Requirement | 26,070 | 19,068 |
| Repayment of Loan from Local Improvement Reserve Fund | 84,438 | 88,526 |
| | 6,560,232 | 8,775,103 |
| DEDUCT | | |
| Assets Written Off | 236,900 | 634,487 |
| Reclassification of Equity to Debt | 289,456 | 337,500 |
| BALANCE, END OF YEAR | $ 127,545,921 | $ 121,512,045 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## GENERAL CAPITAL FUND

### Statement of Capital Financing

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **FINANCES ACQUIRED** | | |
| Unexpended Funds at Beginning of Year | $ 673,827 | $ 148,712 |
| Federal Government | 556,938 | 870,318 |
| Provincial Government | 576,380 | 541,369 |
| Debentures issued by MFA | 2,005,544 | 2,625,000 |
| Transfers from | | |
| Development Cost Charges Reserve Fund | 95,467 | 1,295,588 |
| Capital Reserve Fund | 24,980 | 293,277 |
| Equipment Replacement Reserve Fund | 716,142 | 1,042,199 |
| Electric Utility | - | 1,554,707 |
| General Reserve Fund | 3,469,211 | 1,885,545 |
| Interest Earned | 2,539 | 3,911 |
| Other Contributions | 240,601 | 409,838 |
| Repayment to General Revenue Fund | - | 124,078 |
| Repayment of Loan from Local Improvement Reserve Fund | 84,438 | 88,526 |
| Temporary Borrowings and Payables at End of Year | 730,330 | 584,638 |
| | $ 9,176,397 | $ 11,467,706 |
| **FINANCES APPLIED** | | |
| Temporary Borrowings and Payables At Beginning of Year | $ 584,638 | $ 522,131 |
| Expenditures for General Fixed Assets | 7,876,448 | 10,271,748 |
| Unexpended Funds at End of Year | 715,311 | 673,827 |
| | $ 9,176,397 | $ 11,467,706 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## RESERVE FUNDS

### Statement of Financial Position

December 31, 2005
(With comparative figures for 2004)

| | | 2005 | 2004 |
|---|---|---|---|
| **ASSETS** | | | |
| RECEIVABLES | | | |
| General Revenue Fund | | $ 11,935,919 | $ 10,401,051 |
| General Capital Fund | | 440,874 | 334,127 |
| Sewer Capital Fund | | 182,681 | 149,385 |
| | | $ 12,559,474 | $ 10,884,563 |
| **LIABILITIES AND FUND BALANCES** | | | |
| FUND BALANCES | | | |
| Equipment Replacement | | $ 3,299,480 | $ 3,021,748 |
| Tax Sale Lands | | 5,862 | 5,709 |
| Development Cost Charges | - Roads | 309,747 | 198,019 |
| | - Public Open Space | 665,662 | 327,485 |
| | - Water Mains/Filtration Plant | 384,895 | 252,485 |
| | - Sanitary Sewer | 87,777 | 484,947 |
| | - Storm Sewer | 290,763 | 203,582 |
| Capital | | 1,941,409 | 988,240 |
| Local Improvement | | 1,093,390 | 1,038,901 |
| Sewer System Capital | | 1,342,182 | 1,307,150 |
| Water System Capital | | 2,290,462 | 2,230,680 |
| Electric Capital | | 787,110 | 766,566 |
| Off-Site Parking | | 60,735 | 59,051 |
| | | $ 12,559,474 | $ 10,884,563 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**RESERVE FUNDS**

**Statement of Changes in Fund Balances**

December 31, 2005
(With comparative figures for 2004)

| | Equipment Replacement | Tax Sale Lands | Capital | Development Cost Charges | Local Improvement | Sewer Capital | Water Capital | Electric Capital | Off-Street Parking | 2005 Total | 2004 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BALANCE, BEGINNING OF YEAR | 3,021,748 | 5,709 | 988,240 | 1,466,518 | 1,038,901 | 1,307,150 | 2,230,680 | 766,566 | 59,051 | $ 10,884,563 | $ 11,742,945 |
| ADD | | | | | | | | | | | |
| Transfers from | | | | | | | | | | | |
| General Revenue Fund | 910,290 | | 939,411 | 872,837 | 221,187 | | | | 100 | 2,943,825 | 1,798,687 |
| Sewer Revenue Fund | | | | 36,435 | | | | | | 36,435 | 28,935 |
| Water Revenue Fund | | | | 224,190 | | | | | | 224,190 | 204,369 |
| Interest Earned | 83,584 | 153 | 38,738 | 41,014 | 13,556 | 35,032 | 59,782 | 20,544 | 1,584 | 293,987 | 278,488 |
| | 4,015,622 | 5,862 | 1,966,389 | 2,640,993 | 1,273,644 | 1,342,182 | 2,290,462 | 787,110 | 60,735 | 14,382,999 | 14,053,424 |
| DEDUCT | | | | | | | | | | | |
| Transfers to | | | | | | | | | | | |
| General Capital Fund | 716,142 | | 24,980 | | 84,438 | | | | | 825,560 | 2,719,589 |
| Sewer Capital Fund | | | | | 95,816 | | | | | 95,816 | 118,511 |
| Water Capital Fund | | | | | | | | | | - | - |
| Water Revenue Fund | | | | 100,000 | | | | | | 100,000 | 130,761 |
| Sewer Revenue Fund | | | | 441,131 | | | | | | 441,131 | - |
| General Revenue Fund | | | | 361,018 | | | | | | 361,018 | 200,000 |
| BALANCE, END OF YEAR | 3,299,480 | 5,862 | 1,941,409 | 1,738,844 | 1,093,390 | 1,342,182 | 2,290,462 | 787,110 | 60,735 | $ 12,559,474 | $ 10,884,563 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**SEWER SYSTEM UTILITY**
**Revenue Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| RECEIVABLES | | |
| General Revenue Fund | $ 2,753,804 | $ 2,357,525 |
| Other | - | 27,423 |
| MATERIALS AND SUPPLIES | 27,045 | 20,786 |
| TRUSTS AND OTHER DEPOSITS | | |
| Municipal Finance Authority | 345,579 | 340,086 |
| | $ 3,126,428 | $ 2,745,820 |
| **LIABILITIES AND SURPLUS** | | |
| DEPOSITS | $ 2,421 | $ 59,359 |
| MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND | | |
| Cash Requirement | 128,755 | 123,262 |
| Demand Note Requirement | 216,824 | 216,824 |
| RESERVE FOR FUTURE EXPENDITURES | 103,205 | 471,442 |
| SURPLUS | | |
| Balance at beginning of year | 1,874,933 | 2,061,978 |
| Transfer from/(to) Sewer Revenue | 800,290 | (187,045) |
| Balance at end of year | 2,675,223 | 1,874,933 |
| | $ 3,126,428 | $ 2,745,820 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**SEWER SYSTEM UTILITY**
**Revenue Fund**

**Statement of Revenues and Expenditures**

December 31, 2005
(With comparative figures for 2004)

| | 2005 Actual | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **REVENUE** | | | |
| Sewer Levy | $ 355,888 | $ 356,064 | $ 370,447 |
| Sewer Fixture Charges | 2,173,903 | 2,169,728 | 2,071,023 |
| Sewer Connections and Recoveries | 86,654 | 135,500 | 157,498 |
| Development Cost Charges | 35,576 | 15,000 | 28,935 |
| Local Improvement | - | 174,250 | - |
| Provincial Government Conditional Grant | 5,449 | 13,250 | 4,551 |
| Okanagan Basin Water Board Conditional Grant | 201,217 | 195,427 | 198,151 |
| Municipal Finance Authority Debt Reserve Refund | 3,566 | - | 32,207 |
| Transfer from Own Reserve - Future Expenditures | 462,146 | 462,146 | - |
| Transfer from Development Cost Charges Reserve Fund | 441,131 | 443,457 | - |
| TOTAL REVENUE | $ 3,765,530 | $ 3,964,822 | $ 2,862,812 |
| **EXPENDITURE** | | | |
| Administration | $ 391,804 | $ 427,859 | $ 360,741 |
| Sewage Collection Systems | 209,208 | 273,163 | 241,431 |
| Lift Station, Operation & Maintenance | 44,829 | 60,800 | 57,769 |
| Sewage Treatment and Disposal | 1,186,198 | 1,202,288 | 1,136,868 |
| Other | 3,080 | 5,000 | 1,718 |
| Long-term Debt Charges - Interest | 236,000 | 236,000 | 234,646 |
| - Principal | 111,898 | 111,897 | 111,898 |
| Contributions to Capital Fund | 651,879 | 1,157,195 | 753,705 |
| Transfer to Development Cost Charges Reserve | 36,435 | 15,000 | 28,935 |
| Transfer to Own Reserve - Future Expenditures | 93,909 | - | 462,146 |
| Transfer to/(from) Surplus | 800,290 | 475,620 | (187,045) |
| TOTAL EXPENDITURE | $ 3,765,530 | $ 3,964,822 | $ 3,202,812 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**SEWER SYSTEM UTILITY**
**Capital Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| FIXED ASSETS | | |
| Engineering Structures | $ 31,517,841 | $ 30,535,769 |
| Buildings | 4,828,895 | 4,828,895 |
| Machinery and Equipment | 334,609 | 304,536 |
| Land | 137,521 | 137,521 |
| | $ 36,818,866 | $ 35,806,721 |
| **LIABILITIES AND EQUITY IN CAPITAL ASSETS** | | |
| PAYABLES | | |
| Loan from Local Improvement Fund | $ 182,681 | $ 149,385 |
| LONG-TERM DEBT | | |
| Debentures Authorized and Issued | 1,128,231 | 1,357,265 |
| EQUITY IN CAPITAL ASSETS | 35,507,954 | 34,300,071 |
| | $ 36,818,866 | $ 35,806,721 |

*See accompanying notes to the financial statements*

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TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**SEWER SYSTEM UTILITY**
**Capital Fund**

**Statement of Equity in Capital Assets**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 34,300,071 | $ 33,107,280 |
| ADD | | |
| Development Cost Charges Reserve Fund | 76,281 | 69,393 |
| Utility Revenue Fund | 651,879 | 753,705 |
| Other Contributions | 154,874 | 102,445 |
| Retirement of Long-term Debt | 111,896 | 111,898 |
| Actuarial Sinking Fund Requirement | 117,137 | 106,231 |
| Repayment of Loan from Local Improvement Reserve Fund | 95,816 | 49,119 |
| | 1,207,883 | 1,192,791 |
| BALANCE, END OF YEAR | $ 35,507,954 | $ 34,300,071 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**SEWER SYSTEM UTILITY**

**Statement of Capital Financing**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **FINANCES ACQUIRED** | | |
| Transfers from | | |
| Development Cost Charges Reserve Fund | $ 76,281 | $ 69,393 |
| Utility Revenue Fund | 651,879 | 753,705 |
| Other Contributions | 154,874 | 102,445 |
| Repayment of Loan from | | |
| Local Improvement Reserve Fund | 95,816 | 49,119 |
| Temporary Borrowings and Payables at End of Year | 182,681 | 149,386 |
| | $ 1,161,531 | $ 1,124,048 |
| **FINANCES APPLIED** | | |
| Temporary Borrowings and Payables at Beginning of Year | $ 149,386 | $ 175,404 |
| Expenditure for Fixed Assets | 1,012,145 | 948,644 |
| | $ 1,161,531 | $ 1,124,048 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**WATER SYSTEM UTILITY**
**Revenue Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| RECEIVABLES | | |
| General Revenue Fund | $ 1,617,615 | $ 2,034,889 |
| Utility Rates | 260,013 | 205,521 |
| Other | 6,548 | 158,853 |
| MATERIALS AND SUPPLIES | 155,698 | 122,350 |
| TRUSTS AND OTHER DEPOSITS | | |
| Municipal Finance Authority | 373,989 | 369,289 |
| | $ 2,413,863 | $ 2,890,902 |
| **LIABILITIES AND SURPLUS** | | |
| PAYABLES | | |
| Deposits | $ 106,407 | $ 312,595 |
| Deferred Revenue | - | 22,608 |
| MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND | | |
| Cash Requirement | 115,591 | 110,891 |
| Demand Note Requirement | 258,398 | 258,398 |
| RESERVE FOR FUTURE EXPENDITURES | 210,007 | 550,386 |
| SURPLUS | | |
| Balance at beginning of year | 1,636,024 | 2,308,230 |
| Transfer from/(to) Water Revenue | 87,436 | (672,206) |
| Balance at end of year | 1,723,460 | 1,636,024 |
| | $ 2,413,863 | $ 2,890,902 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**WATER SYSTEM UTILITY**
**Revenue Fund**

**Statement of Revenues and Expenditures**

December 31, 2005
(With comparative figures for 2004)

| | 2005 Actual | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **REVENUE** | | | |
| Water Rates | $ 3,202,627 | $ 5,180,973 | $ 3,307,583 |
| Recoveries - Connections, Service & Other | 32,298 | 69,500 | 17,701 |
| Development Cost Charges | 219,671 | 125,000 | 204,309 |
| Provincial Government Conditional Grant | 73,200 | 76,451 | - |
| Transfer from Own Reserve - Future Expenditures | 550,386 | 550,386 | 292,300 |
| Transfer from Development Cost Charges Reserve Fund | 100,000 | 989,047 | 130,761 |
| TOTAL REVENUE | $ 4,178,182 | $ 6,991,357 | $ 3,952,654 |
| **EXPENDITURE** | | | |
| Administration | $ 525,781 | $ 639,807 | $ 478,597 |
| Purification and Treatment | 614,656 | 737,304 | 632,700 |
| Transmission and Distribution | 715,943 | 660,582 | 521,292 |
| Pumping | 172,505 | 175,000 | 269,209 |
| Customer Billing and Collection | 154,751 | 140,000 | 152,857 |
| Other | 19,020 | 23,000 | 13,736 |
| Long-term Debt Charges - Interest | 404,286 | 423,900 | 443,449 |
| - Principal | 167,846 | 167,847 | 167,846 |
| Contributions to Capital Fund | 881,761 | 3,828,728 | 1,190,419 |
| Transfer to Development Cost Charges Reserve | 224,190 | 125,000 | 204,369 |
| Transfer to Own Reserve - Future Expenditures | 210,007 | - | 550,386 |
| Transfer to/(from) Surplus | 87,436 | 70,189 | (672,206) |
| TOTAL EXPENDITURE | $ 4,178,182 | $ 6,991,357 | $ 3,952,654 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**WATER SYSTEM UTILITY**
**Capital Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| FIXED ASSETS | | |
| Engineering Structures | $ 42,328,837 | $ 41,265,409 |
| Buildings | 2,915,633 | 2,890,325 |
| Machinery and Equipment | 222,974 | 210,547 |
| Land | 338,566 | 338,566 |
| | $ 45,806,010 | $ 44,704,847 |
| **LIABILITIES AND EQUITY IN CAPITAL ASSETS** | | |
| PAYABLES | | |
| Due to General Revenue Fund | $ 550,883 | $ 550,883 |
| LONG-TERM DEBT | | |
| Debentures Authorized and Issued | 3,377,870 | 3,641,158 |
| EQUITY IN CAPITAL ASSETS | 41,877,257 | 40,512,806 |
| | $ 45,806,010 | $ 44,704,847 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**WATER SYSTEM UTILITY**
**Capital Fund**

**Statement of Equity in Capital Assets**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 40,512,806 | $ 38,909,677 |
| ADD | | |
| Utility Revenue Fund | 881,761 | 1,190,419 |
| Other Contributions | 219,402 | 161,959 |
| Retirement of Long-term Debt | 167,846 | 167,846 |
| Actuarial Sinking Fund Requirement | 95,442 | 82,905 |
| | 1,364,451 | 1,603,129 |
| BALANCE, END OF YEAR | $ 41,877,257 | $ 40,512,806 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## WATER SYSTEM UTILITY

### Statement of Capital Financing

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **FINANCES ACQUIRED** | | |
| Transfers from | | |
| Utility Revenue Fund | $ 881,761 | $ 1,190,419 |
| Other Contributions | 219,402 | 161,959 |
| Temporary Borrowings and Payables at End of Year | 550,883 | 550,883 |
| | $ 1,652,046 | $ 1,903,261 |
| **FINANCES APPLIED** | | |
| Temporary Borrowings and Payables at Beginning of Year | $ 550,883 | $ 601,614 |
| Expenditure for Fixed Assets | 1,101,163 | 1,301,647 |
| | $ 1,652,046 | $ 1,903,261 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**ELECTRIC SYSTEM UTILITY**
**Revenue Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| RECEIVABLES | | |
| General Revenue Fund | $ 3,659,923 | $ 3,640,191 |
| Utility Rates | 1,459,590 | 1,102,241 |
| Other | 219,781 | 261,586 |
| MATERIALS AND SUPPLIES | 1,580,747 | 1,498,212 |
| | $ 6,920,041 | $ 6,502,230 |
| **LIABILITIES AND SURPLUS** | | |
| PAYABLES | | |
| Deposits | $ 467,940 | $ 497,577 |
| RESERVE FOR FUTURE EXPENDITURES | 23,000 | 77,230 |
| SURPLUS | | |
| Balance at beginning of year | 5,927,423 | 5,269,521 |
| Transfer from/(to) Electric Revenue | 501,678 | 657,902 |
| Balance at end of year | 6,429,101 | 5,927,423 |
| | $ 6,920,041 | $ 6,502,230 |

*See accompanying notes to the financial statements*

TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**ELECTRIC SYSTEM UTILITY**
**Revenue Fund**

**Statement of Revenue and Expenditures**

December 31, 2005
(With comparative figures for 2004)

| | 2005 Actual | 2005 Budget (Unaudited) | 2004 |
|---|---|---|---|
| **REVENUE** | | | |
| Rates | $ 21,550,931 | $ 22,222,684 | $ 20,177,662 |
| Recoveries - Connections & Other | 393,101 | 572,836 | 604,186 |
| Transfer from Own Reserve - Future Expenditures | 77,230 | 77,230 | 118,500 |
| TOTAL REVENUE | $ 22,021,262 | $ 22,872,750 | $ 20,900,348 |
| **EXPENDITURE** | | | |
| Administration | $ 1,847,439 | $ 2,002,548 | $ 1,828,865 |
| Electrical Energy Purchased for Resale | 14,908,348 | 15,350,200 | 14,116,223 |
| Transmission and Distribution | 350,763 | 272,750 | 396,432 |
| Customer Billing and Collection | 320,509 | 312,500 | 353,072 |
| Other | 71,450 | 56,400 | 64,188 |
| Transfer to Own Reserve - Future Expenditures | 23,000 | - | 77,230 |
| Contributions to Capital Fund | 658,075 | 1,290,058 | 906,436 |
| Transfer to General Revenue Fund | 1,785,293 | 3,340,000 | 945,293 |
| Transfer to General Capital Fund | 1,554,707 | - | 1,554,707 |
| Transfer to/(from) Surplus | 501,678 | 248,294 | 657,902 |
| TOTAL EXPENDITURE | $ 22,021,262 | $ 22,872,750 | $ 20,900,348 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**ELECTRIC SYSTEM UTILITY**
**Capital Fund**

**Statement of Financial Position**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| FIXED ASSETS | | |
| Engineering Structures | $ 19,717,344 | $ 18,625,602 |
| Buildings | 1,835,556 | 1,795,275 |
| Machinery and Equipment | 423,181 | 404,127 |
| Land | 61,896 | 61,896 |
| | $ 22,037,977 | $ 20,886,900 |
| **LIABILITIES AND EQUITY IN CAPITAL ASSETS** | | |
| EQUITY IN CAPITAL ASSETS | $ 22,037,977 | $ 20,886,900 |
| | $ 22,037,977 | $ 20,886,900 |

*See accompanying notes to the financial statements*

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TREASURER

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**ELECTRIC SYSTEM UTILITY**
**Capital Fund**

**Statement of Equity in Capital Assets**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 20,886,900 | $ 19,678,673 |
| ADD | | |
| Utility Revenue Fund | 658,075 | 906,436 |
| Other Contributions | 493,002 | 301,791 |
| | 1,151,077 | 1,208,227 |
| BALANCE, END OF YEAR | $ 22,037,977 | $ 20,886,900 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**ELECTRIC SYSTEM UTILITY**

**Statement of Capital Financing**

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **FINANCES ACQUIRED** | | |
| Transfers from | | |
| Utility Revenue Fund | $ 658,075 | $ 906,436 |
| Other Contributions | 493,002 | 301,791 |
| | $ 1,151,077 | $ 1,208,227 |
| **FINANCES APPLIED** | | |
| Expenditure for Fixed Assets | $ 1,151,077 | $ 1,208,227 |
| | $ 1,151,077 | $ 1,208,227 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**Debt Issued and Outstanding**
**December 31, 2005**

| Number | Issue Date | Purpose | Issue Amount | Outstanding Amount | Term (Years) | Maturity | Rate | Payee | 2006 Payments Interest | 2006 Payments Principal |
|---|---|---|---|---|---|---|---|---|---|---|
| 8858 | 08-May-89 | Okanagan Lake Pump Stn | 350,000 | 99,587 | 20 | 2009 | 10.90 | R.D.O.S. | 22,750 | 10,585 |
| 9504 | 12-Apr-95 | Water Treatment Plant | 1,000,000 | 619,612 | 20 | 2015 | 4.75 | R.D.O.S. | 47,500 | 30,243 |
| 9542 | 01-Dec-95 | Water Treatment Plant | 3,000,000 | 1,858,836 | 20 | 2015 | 7.75 | R.D.O.S. | 240,000 | 90,728 |
| 9608 | 01-Jun-96 | Water Treatment Plant | 1,200,000 | 799,834 | 20 | 2016 | 7.25 | R.D.O.S. | 93,000 | 36,291 |
| | | | 5,550,000 | 3,377,869 | | | | | 403,250 | 167,847 |
| 8903 | 09-Nov-89 | Sewer - Treatment Plant | 2,500,000 | 711,341 | 20 | 2009 | 6.5 | R.D.O.S. | 162,500 | 75,606 |
| 8962 | 15-May-90 | Sewer - Treatment Plant | 1,200,000 | 416,890 | 20 | 2010 | 6.5 | R.D.O.S. | 78,000 | 36,291 |
| | | | 3,700,000 | 1,128,231 | | | | | 240,500 | 111,897 |
| 20005 | 12-Apr-00 | RCMP Building | 2,500,000 | 2,082,227 | 20 | 2020 | 6.45 | R.D.O.S. | 161,250 | 75,606 |
| 20046 | 07-Nov-00 | RCMP Building | 1,500,000 | 1,249,336 | 20 | 2020 | 6.36 | R.D.O.S. | 95,400 | 45,364 |
| 200123 | 21-Dec-01 | Government Street | 1,380,000 | 180,000 | 5 | 2006 | Variable | M.F.A. | 200 | 180,000 |
| 200315 | 22-Apr-04 | Storm Sewer | 337,500 | 327,293 | 20 | 2024 | 4.86 | R.D.O.S. | 16,403 | 10,207 |
| 2004-16 | 25-Oct-04 | Parks - Land Acquisition | 1,680,000 | 1,629,192 | 20 | 2024 | 4.975 | R.D.O.S. | 83,580 | 50,808 |
| 2004-18 | 25-Oct-04 | Road Works - South Main St | 195,000 | 189,103 | 20 | 2024 | 4.975 | R.D.O.S. | 9,701 | 5,897 |
| 2004-19 | 25-Oct-04 | Road Design - Main St | 150,000 | 145,464 | 20 | 2024 | 4.975 | R.D.O.S. | 7,463 | 4,536 |
| 2004-20 | 25-Oct-04 | Parks - Integrated Waterfront | 550,000 | 533,366 | 20 | 2024 | 4.975 | R.D.O.S. | 27,363 | 16,633 |
| 2004-21 | 25-Oct-04 | Parks - Youth Park | 50,000 | 48,488 | 20 | 2024 | 4.975 | R.D.O.S. | 2,488 | 1,512 |
| 2004-11 | 06-Apr-05 | Wine Information Centre | 800,000 | 800,000 | 20 | 2025 | 5.1 | R.D.O.S. | 40,005 | 31,160 |
| 2004-20 | 06-Apr-05 | Parks - Integrated Waterfront | 520,000 | 520,000 | 20 | 2025 | 5.1 | R.D.O.S. | 26,004 | 20,254 |
| 2004-21 | 13-Oct-05 | Parks - Youth Park | 150,000 | 150,000 | 20 | 2025 | 4.17 | R.D.O.S. | 6,255 | 5,037 |
| 2004-18 | 13-Oct-05 | Parks - Integrated Waterfront | 825,000 | 825,000 | 20 | 2025 | 4.17 | R.D.O.S. | 34,403 | 27,705 |
| | | | 10,637,500 | 8,679,469 | | | | | 510,515 | 474,719 |
| | | | $ 19,887,500 | $ 13,185,569 | | | | | $ 1,154,265 | $ 754,463 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

## CEMETERY PERPETUAL CARE TRUST FUND

### Statement of Financial Position

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **ASSETS** | | |
| BANK TERM DEPOSITS | $ 625,000 | $ 590,000 |
| RECEIVABLES | | |
| General Revenue Fund | 12,949 | 4,214 |
| ACCRUED INTEREST | 14,601 | 14,443 |
| | $ 652,550 | $ 608,657 |
| **SURPLUS** | | |
| BALANCE, BEGINNING OF YEAR | $ 608,657 | $ 564,660 |
| Add: | | |
| Care Fund Contributions | 23,965 | 19,030 |
| Interest Earned | 19,928 | 24,967 |
| | $ 652,550 | $ 608,657 |

*See accompanying notes to the financial statements*

TREASURER

# PENTICTON PUBLIC LIBRARY

(Established under the Provisions of the
Public Libraries Act of British Columbia)

## STATEMENT OF REVENUE AND EXPENDITURE

December 31, 2005
(With comparative figures for 2004)

| | 2005 | 2004 |
|---|---|---|
| **REVENUE** | | |
| Grant City of Penticton | | |
| - Operating | $ 659,535 | $ 644,633 |
| - Building and Administration | 163,217 | 159,000 |
| - Equipment Depreciation | 20,222 | 22,076 |
| - Capital | 7,124 | 5,124 |
| Grant Province of B.C. - Operating | 102,946 | 87,831 |
| Grant - Outlook/Legal Services Society | 2,116 | 2,092 |
| Okanagan Regional Library Contract | 49,610 | 51,150 |
| Interest Earned | 2,549 | 2,276 |
| Fines and Fees | 27,104 | 21,099 |
| Miscellaneous Revenue | 10,553 | 23,118 |
| Photocopy Revenue | 2,524 | 3,057 |
| Donations | 2,471 | 2,054 |
| Legacy/Estate Funds | 4,270 | 3,595 |
| Equipment Replacement Fund | 20,385 | - |
| | 1,074,626 | 1,027,105 |
| Surplus at Beginning of Year | 75,199 | 57,328 |
| Total Revenue | 1,149,825 | 1,084,433 |
| **EXPENDITURE** | | |
| Building and Administration | 163,216 | 159,000 |
| Equipment Allowance | 20,222 | 22,076 |
| Acquisitions - Books | 147,410 | 142,461 |
| - Periodicals | 15,430 | 18,790 |
| - Software | 4,190 | 948 |
| - Videos/Audio/Online Subscriptions | 7,270 | 6,634 |
| Book Binding | 1,440 | 4,037 |
| Equipment Maintenance | 12,988 | 12,337 |
| Office Supplies | 35,248 | 30,259 |
| Postage, Freight, Courier, Mileage | 5,576 | 5,335 |
| Salaries and Benefits | 589,049 | 588,354 |
| Staff/Trustee Training and Development | 2,989 | 4,963 |
| Telephone/Fax/Internet | 5,044 | 5,269 |
| Program Support | 207 | 145 |
| Legacy/Estate Projects | 1,067 | 3,502 |
| Total Operating Expenditure | 1,011,346 | 1,004,110 |
| Capital Equipment | 27,509 | 5,124 |
| Total Expenditure | 1,038,855 | 1,009,234 |
| SURPLUS AT END OF YEAR | $ 110,970 | $ 75,199 |

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**Financial Statistics**
(Unaudited)

| | 1996** | 1997** | 1998** | 1999** | 2000** |
|---|---|---|---|---|---|
| Population | 30,987 | 30,987 | 30,987 | 30,987 | 30,987 |
| Assessed Values - General | | | | | |
| Land | 1,018,854,562 | 1,012,811,459 | 1,040,610,909 | 1,033,714,732 | 995,628,640 |
| Land Exempt | 133,761,705 | 123,682,126 | 149,736,660 | 150,917,460 | 142,114,754 |
| Taxable Land | 885,092,857 | 889,129,333 | 890,874,249 | 882,797,272 | 853,513,886 |
| Improvements | 1,292,112,550 | 1,316,138,957 | 1,323,537,812 | 1,320,489,436 | 1,337,405,103 |
| Improvements Exempt | 184,779,178 | 203,523,095 | 190,320,833 | 183,869,582 | 192,252,631 |
| Taxable Improvements | 1,107,333,372 | 1,112,615,862 | 1,133,216,979 | 1,136,619,854 | 1,145,152,472 |
| Total Taxable Assessment | 1,992,426,229 | 2,001,745,195 | 2,024,091,228 | 2,019,417,126 | 1,998,666,358 |
| Per Capita | 64,299 | 64,600 | 65,321 | 65,170 | 64,500 |
| Assessment Actually Taxed | | | | | |
| General Purposes | 1,990,775,229 | 1,978,674,195 | 2,001,292,228 | 1,996,437,126 | 1,975,032,758 |
| School Purposes | 1,987,042,829 | 1,996,464,495 | 2,018,139,812 | 2,013,650,310 | 1,998,666,358 |
| % Improvement Taxes | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Tax Levy | | | | | |
| General and Debt | 11,652,354 | 12,027,944 | 12,598,784 | 12,830,351 | 13,390,448 |
| School | 11,164,085 | 11,297,397 | 11,436,496 | 11,648,997 | 11,630,813 |
| Regional Hospital | 776,646 | 797,707 | 902,325 | 917,656 | 962,087 |
| Other (Excluding Irrigation) | 4,833,946 | 4,593,328 | 4,789,742 | 4,852,941 | 5,012,389 |
| Total Tax Levy | 28,427,031 | 28,716,376 | 29,727,347 | 30,249,945 | 30,995,737 |
| Total Levy (Including Irrigation) | 28,567,946 | 28,856,371 | 29,867,421 | 30,390,103 | 31,136,579 |
| Per Capita | 922 | 931 | 964 | 981 | 1,005 |
| General Tax Rate | 5.384/8.076 | 5.529/8.294 | 5.706/8.559 | 5.805/8.708 | 6.128/9.192 |
| Tax Collection | | | | | |
| Current Taxes and Irrigation | 27,960,965 | 28,255,700 | 29,329,134 | 29,771,871 | 30,565,077 |
| % Current Levy Collected | 97.9% | 97.9% | 98.2% | 98.0% | 98.2% |
| Arrears and Delinquent | 811,531 | 600,954 | 732,150 | 716,637 | 687,640 |
| Total Taxes Collected | 28,772,496 | 28,856,654 | 30,061,284 | 30,488,508 | 31,252,717 |
| % of Current Levy | 100.7% | 100.0% | 100.6% | 100.3% | 100.4% |
| Arrears of Taxes | 174,989 | 257,298 | 240,410 | 263,097 | 250,136 |
| Per Capita | 5.65 | 8.30 | 7.76 | 8.49 | 8.07 |
| Debt | | | | | |
| Gross Debt | 12,868,942 | 11,937,294 | 11,042,545 | 9,994,490 | 13,926,419 |
| Per Capita | 415 | 385 | 356 | 323 | 449 |
| Analysis of Debt (Gross) | | | | | |
| Water Supply System | 6,127,482 | 5,828,024 | 5,513,594 | 5,183,443 | 4,836,783 |
| Sewer System | 5,010,812 | 4,272,089 | 4,058,625 | 3,545,947 | 3,007,196 |
| General | 1,730,648 | 1,562,382 | 1,470,326 | 1,265,100 | 6,082,440 |

** 1996 Census

| | 2001*** | 2002*** | 2003*** | 2004*** | 2005*** |
|---|---|---|---|---|---|
| Population | 30,985 | 30,985 | 30,985 | 30,985 | 30,985 |
| Assessed Values - General | | | | | |
| Land | 999,082,549 | 1,000,376,974 | 1,022,385,901 | 1,141,538,471 | 1,430,440,541 |
| Land Exempt | 141,266,606 | 140,756,657 | 148,912,016 | 172,413,710 | 177,810,827 |
| Taxable Land | 857,815,943 | 859,620,317 | 873,473,885 | 969,124,761 | 1,252,629,714 |
| Improvements | 1,344,556,402 | 1,391,386,900 | 1,490,127,901 | 1,654,513,500 | 1,941,305,110 |
| Improvements Exempt | 192,570,333 | 197,516,990 | 202,748,963 | 207,550,130 | 227,310,600 |
| Taxable Improvements | 1,151,986,069 | 1,193,869,910 | 1,287,378,938 | 1,446,963,370 | 1,713,994,510 |
| Total Taxable Assessment | 2,009,802,012 | 2,053,490,227 | 2,160,852,823 | 2,416,088,131 | 2,966,624,224 |
| Per Capita | 64,864 | 66,274 | 69,739 | 77,976 | 95,744 |
| Assessment Actually Taxed | | | | | |
| General Purposes | 1,986,275,412 | 2,030,243,827 | 2,137,700,023 | 2,392,425,331 | 2,942,179,424 |
| School Purposes | 2,004,177,143 | 2,047,566,849 | 2,154,719,592 | 2,409,204,900 | 2,958,710,508 |
| % Improvement Taxes | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Tax Levy | | | | | |
| General and Debt | 14,140,577 | 14,882,630 | 15,926,729 | 17,012,508 | 18,075,952 |
| School | 11,671,618 | 11,913,141 | 12,152,121 | 12,637,459 | 13,581,087 |
| Regional Hospital | 1,982,487 | 1,979,438 | 1,980,515 | 1,961,408 | 1,785,679 |
| Other (Excluding Irrigation) | 5,102,716 | 4,995,324 | 5,008,308 | 5,179,878 | 5,382,474 |
| Total Tax Levy | 32,897,398 | 33,770,533 | 35,067,673 | 36,791,253 | 38,825,192 |
| Total Levy (Including Irrigation) | 33,037,202 | 33,910,115 | 35,206,896 | 36,930,550 | 38,967,825 |
| Per Capita | 1,066 | 1,094 | 1,136 | 1,192 | 1,258 |
| General Tax Rate | 6.436/9.654 | 6.6295/9.9443 | 6.753/10.1295 | 6.4781/9.7172 | 5.3623/9.931 |
| Tax Collection | | | | | |
| Current Taxes and Irrigation | 32,588,106 | 33,353,856 | 34,685,099 | 36,625,786 | 38,475,389 |
| % Current Levy Collected | 98.6% | 98.4% | 98.5% | 99.2% | 98.7% |
| Arrears and Delinquent | 412,751 | 748,867 | 598,402 | 586,147 | 405,886 |
| Total Taxes Collected | 33,000,857 | 34,102,723 | 35,283,501 | 37,211,933 | 38,881,275 |
| % of Current Levy | 99.9% | 100.6% | 100.2% | 100.8% | 99.8% |
| Arrears of Taxes | 505,580 | 205,809 | 178,225 | 121,940 | 112,475 |
| Per Capita | 16.32 | 6.64 | 5.75 | 3.94 | 3.63 |
| Debt | | | | | |
| Gross Debt | 13,035,934 | 11,841,379 | 10,348,553 | 12,176,427 | 13,185,569 |
| Per Capita | 421 | 382 | 334 | 393 | 426 |
| Analysis of Debt (Gross) | | | | | |
| Water Supply System | 4,472,790 | 4,130,719 | 3,891,909 | 3,641,158 | 3,377,869 |
| Sewer System | 2,441,022 | 1,857,736 | 1,575,393 | 1,357,265 | 1,128,231 |
| General | 6,122,122 | 5,852,924 | 4,881,251 | 7,178,004 | 8,679,469 |

***2001 Census

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

**Financial Statistics**
(Unaudited)

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Public Utilities | | | | | | | | | | |
| Sewer | | | | | | | | | | |
| Operating Profit/(Loss) | (340,837) | (60,064) | (52,404) | 98,945 | 144,617 | 182,196 | (47,480) | (38,384) | (187,045) | 800,290 |
| Domestic Water & Irrigation | | | | | | | | | | |
| Operating Profit/(Loss) | - | (3,490) | 570,491 | 631,749 | (551,858) | 408,648 | 407,987 | 250,173 | (672,206) | 87,436 |
| Electric Light | | | | | | | | | | |
| Operating Profit/(Loss) | 1,127,210 | 464,019 | 1,843,025 | 2,048,282 | 2,340,634 | 2,663,070 | 2,897,239 | 2,474,864 | 1,949,675 | 2,690,601 |
| General | | | | | | | | | | |
| Building Permits Issued | 41,530,318 | 23,157,321 | 33,196,718 | 22,619,600 | 18,796,519 | 31,093,176 | 35,928,297 | 46,681,982 | 52,227,735 | 74,663,879 |
| Liability Servicing | | | | | | | | | | |
| Capacity Available | | | | | | | | 11,529,751 | 12,914,033 | 13,418,514 |
| Borrowing Power (net) | 58,612,482 | 61,786,435 | 70,561,779 | 71,721,589 | 72,711,489 | 79,586,210 | 81,821,206 | n/a | n/a | n/a |